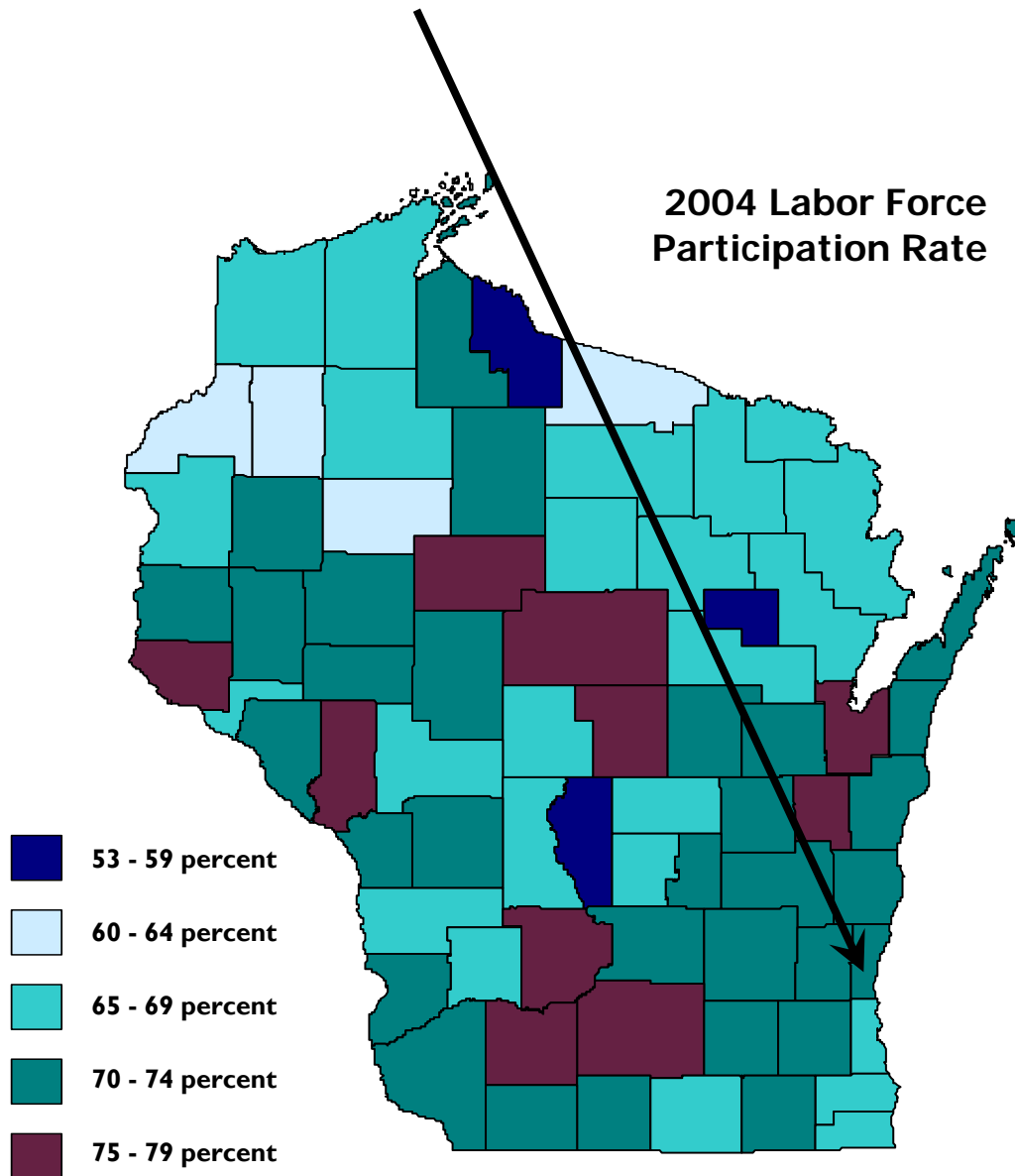


Ozaukee County Workforce Profile



Source: Estimates created by DWD, OEA using data supplied by
U.S. Bureau of Labor Statistics and U.S. Bureau of Census

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County Population and Labor Force

Ozaukee County's population continues to exhibit strong signs of growth and engagement in the labor force. While this growth has generally spread throughout the county, there are indications that suggest that significant change may be on the horizon.

The county's population again experienced a growth rate above that noted throughout the state. Similarly, while the county's growth rate of 4.2 percent is slightly below the national figure for the same period, the county has generally kept pace with national trends, and all expectations suggest that this trend will continue for the foreseeable future.

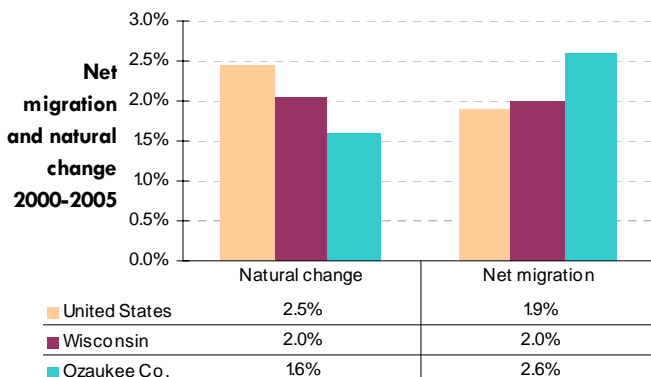
The county's current age distribution, while slightly more skewed towards older residents than either the state or national figures, suggests that the county's labor force participation rate of 70.5 percent, which is significantly above the national average, will continue to exert a strong influence on the region's workforce. However, as suggested in the accompanying 15-year projections, the pending retirement of the substantial "baby boomer" cohort within the county's population could spell trouble for the workforce, at large, as the share of population aged 16-24 years old will have a difficult time replacing the share of the labor force exiting through retirement.

Turning our attention to population change at the municipal level, we once again see that significant growth was reported along the I-43 corridor that runs along the county's eastern

Five largest municipalities in Ozaukee County

	April 2000 Census	Jan. 1, 2005 estimate	Numeric change	Percent change
Ozaukee County	82,317	85,787	3,470	4.2%
Mequon, City	22,643	23,468	825	3.6%
Cedarburg, City	11,102	11,386	284	2.6%
Grafton, Village	10,464	11,310	846	8.1%
Port Washington, City	10,467	10,785	318	3.0%
Cedarburg, Town	5,550	5,730	180	3.2%

Source: Wis. Dept. of Administration, Demographic Services, August 2005



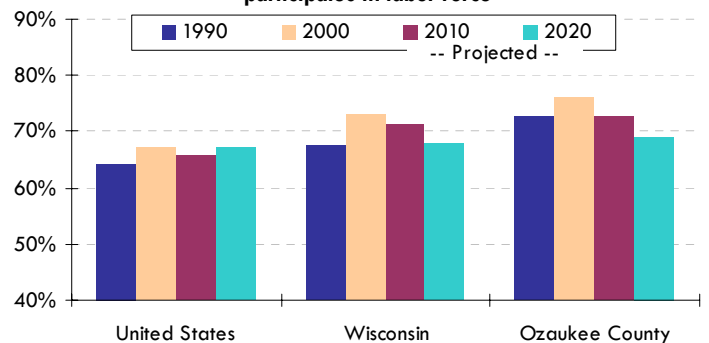
Source: WI Dept. of Admin., Demographic Services & US Census Bureau

Population and Labor Force

	United States	Wisconsin	Ozaukee County
Total population in 2000	281,424,602	5,363,715	82,317
Population est. Jan. 1, 2005	295,160,302	5,580,757	85,787
Change	13,735,700	217,042	3,470
% change	4.9%	4.0%	4.2%
2005 Labor force population*	224,837,000	4,339,938	67,796
Share of total population	76.2%	78%	79.0%
Labor force	147,125,000	3,071,179	47,815
Labor force participation rate	65.4%	70.8%	70.5%
2005 Population 16 yrs. & over	228,621,674	4,417,313	68,300
16-24 yrs old	37,489,370	743,764	11,200
Share of population 16+ yrs	16.4%	16.8%	16.4%
25-59 yrs old	142,248,896	2,708,865	41,106
Share of population 16+ yrs	62.2%	61.3%	60.2%
60 yrs and older	48,883,408	964,684	15,994
Share of population 16+ yrs	21.4%	21.8%	23.4%
Projected population: 2020	335,804,546	6,110,878	92,496
Population 16 yrs. & over	264,085,104	4,869,573	74,139
16-24 yrs old	37,918,865	681,586	9,331
Share of population 16+ yrs	14.4%	14.0%	12.6%
25-59 yrs old	150,678,402	2,756,884	40,681
Share of population 16+ yrs	57.1%	56.6%	54.9%
60 yrs and older	75,487,837	1,431,103	24,127
Share of population 16+ yrs	28.6%	29.4%	32.5%

* civilian population 16 yrs. and older not in an institution

Percent of labor force age population that participates in labor force



Source: special tabulation by OEA using US Census, US Bureau of Labor Statistics, WI Dept. of Admin. estimates and projections

boundary. Pacing this growth was the village of Grafton, which led the county in both percentage and numerical growth. Much of this growth can be attributed to a pattern of new residential development along the western and northern edges of the village, as well as continued commercial growth around the intersection of I-43 and state Highway 60.

Revised Labor Force

Focusing now on a more detailed discussion of the county's workforce, we see that 2004 found Ozaukee County in an improved economic state over both of the two previous years. Its annual average unemployment rate of 3.6 percent marks the lowest rate experienced since 2001, the year which most experts suggest marked the beginning of the most recent economic decline. While this trend is certainly encouraging, one must approach these figures with some degree of caution, as the county's labor force must still make strides in order to return to the level of stability that marked the mid-to-late 1990's.

There are a few other areas of note in examining the county's labor force trends. First, the county's ranks of employed labor continues to show a pattern of growth. This has been tempered with significant decreases both in the number of unemployed workers, and consequently, the labor force as a whole. While there is little evidence to suggest that the drop in the county's labor force level can be attributed to anything other than an increased level of retirement activity, this trend does bear watching in 2005.

Ozaukee County Civilian Labor Force Estimates

	Labor force	Employed	Unemployed	Unemployed rate
1990	41,334	40,038	1,296	3.1%
1991	41,765	40,169	1,596	3.8%
1992	43,146	41,484	1,662	3.9%
1993	43,832	42,586	1,246	2.8%
1994	45,514	44,245	1,269	2.8%
1995	46,768	45,630	1,138	2.4%
1996	47,666	46,629	1,037	2.2%
1997	48,295	47,341	954	2.0%
1998	48,732	47,705	1,027	2.1%
1999	49,350	48,415	935	1.9%
2000	47,644	46,465	1,179	2.5%
2001	47,928	46,315	1,613	3.4%
2002	47,661	45,598	2,063	4.3%
2003	48,006	45,780	2,226	4.6%
2004	47,815	46,087	1,728	3.6%

Source: DWD, Bureau of Workforce Information, Local Area Unemployment Statistics, September 2005

Education Attainment

One of the key signs that economists look for in determining the strength of a region's economy is both the skill and experience of the labor force. One key measure of this is the educational attainment of the population. As we see in the chart below, Ozaukee County ranks favorably, when compared to both state and national figures in every age and gender cohort except for the number of residents with a post-

secondary education among 18-24 year-old males. This trend seems rather surprising, particularly in light of the fact that the educational attainment among males in the 25-34 and 35-44 year age cohorts well outpace both state and national figures. Some of this disparity can be attributed to traditional migration patterns within the county, which see significant increases among individuals in these cohorts on an annual basis. As

such, some of the phenomenon can be attributed to the "importing" of education that occurs.

Similarly, access to education does not appear to bear an impact as this group's female peers do exceed state and national figures. Given this "gender gap," the lag does seem to suggest some cause for concern. However, this can be downplayed, to some extent through the recognition that the 18-24 year-old male population cohort accounts for only 3.6 percent of the county's population, thereby minimizing its effect. Finally, this measure meets or exceeds similar measures in each of the region's four counties.

Residents with post-secondary education



Source: US Census 2000, Summary file 3, QT-P20

Employment and Wages

While the level of employment and educational attainment in a region's labor force provide some indication of its scale and quality, an examination of the average wages paid to employees across major industry sectors provides insight into both the level of satisfaction within the workforce and the degree of competition for available labor present within the region. On average, wages paid to employees in Ozaukee County in 2004 once again exceeded the state benchmark, this year by an average of 9.1 percent. This marks a 7.3 percentage increase over similar figures in 2003, again suggesting that the county continues to experience significant recovery from the most recent economic downturn.

However, while wages paid in a number of key sectors, including Manufacturing (13.3 percent above average), Financial Services (40.7 percent above average), and Professional and Business Services (3.8 percent above average), an equal number of sectors lag behind other regions of the state. Most notably, the Construction (2.4 percent below average), Leisure and Hospitality (6.5 percent below average), and Public Administration (17.3 percent below average) sectors all exhibit significant disparities. Again, this pattern is cause for some concern within the county economy, as a whole. How-

Average Annual Wage by Industry Division in 2004

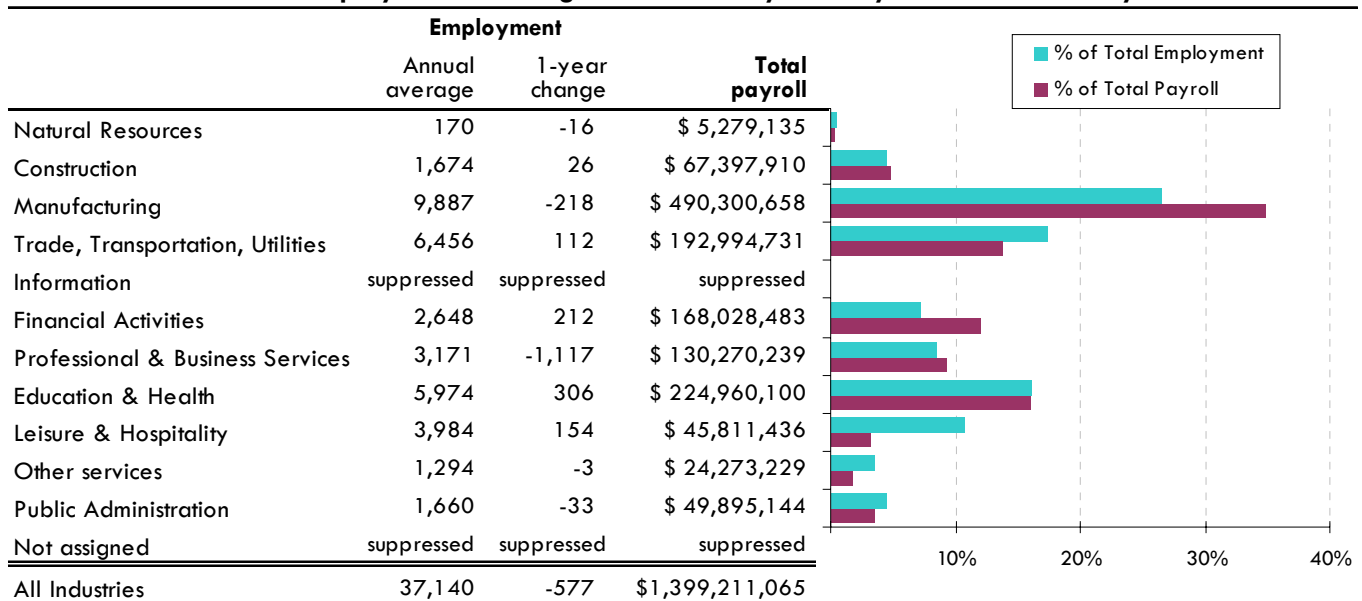
	2004	2004		
	Average Annual Wage	Average Annual Wage	Percent of	1-year
	Wisconsin	Ozaukee County	Wisconsin	% change
All Industries	\$ 34,749	\$ 37,921	109.1%	7.3%
Natural resources	\$ 27,399	\$ 31,054	113.3%	6.8%
Construction	\$ 41,258	\$ 40,262	97.6%	2.7%
Manufacturing	\$ 44,145	\$ 49,590	112.3%	10.3%
Trade, Transportation, Utilities	\$ 30,088	\$ 29,894	99.4%	6.2%
Information	\$ 41,759	suppressed	Not avail	Not avail.
Financial activities	\$ 45,103	\$ 63,455	140.7%	5.0%
Professional & Business Services	\$ 39,580	\$ 41,082	103.8%	23.0%
Education & Health	\$ 36,408	\$ 37,657	103.4%	-1.7%
Leisure & Hospitality	\$ 12,295	\$ 11,499	93.5%	3.4%
Other services	\$ 20,207	\$ 18,758	92.8%	6.8%
Public Administration	\$ 36,347	\$ 30,057	82.7%	7.0%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

ever, this may also be the result of decreased demand for the goods and services provided by these sectors, particularly within the Construction sector, where decreased demand and reliance on out-of-county firms has driven sector activity over the past several years.

The expansion of wages in a number of sectors is belied, to some extent, by changes in sector employment over the course of the past year. Both Manufacturing and Professional and Business Services experienced significant decreases, with the Education and Health and Leisure and Hospitality sectors ranking among the county's "winners" in 2004.

2004 employment and wage distribution by industry in Ozaukee County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2005

Industry and Employers by Size

Top 10 Private-sector Employers in Ozaukee County

Establishment	Product or Service	Size (Dec. 2004)
Columbia St Mary's Group	Gen. medical & surgical hospitals	1000+ employees
Rockwell Automation Inc	Relay & industrial control mfg.	500-999 employees
Leggett & Platt Inc	Aluminum die-casting foundries	500-999 employees
Concordia University Wisconsin	Colleges & universities	500-999 employees
Charter Mfg Co Inc	Steel wire drawing	500-999 employees
Simplicity Mfg Inc	Lawn & garden equip. mfg.	250-499 employees
Mega Marts Inc	Supermarkets & other grocery stores	250-499 employees
Hayes Brake Inc	Motor vehicle brake system mfg.	250-499 employees
Allen Edmonds Shoe Corp	Misc. wood product mfg.	250-499 employees
Tecumseh Power Co	Other engine equip. mfg.	250-499 employees

Source: DWD, Bureau of Workforce Information, ES-202, July 2005

Prominent industries in Ozaukee County

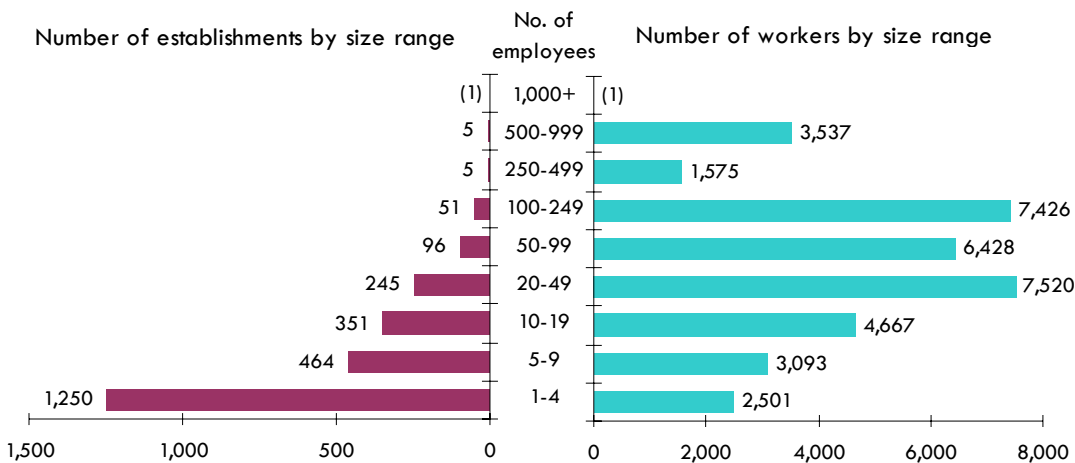
NAICS title	March 2005		Numeric change in employees	
	Establishments	Employees	2004-2005	2000-2005
Food services and drinking places	143	2,982	207	522
Educational services	30	2,819	-42	187
Machinery manufacturing	46	2,321	-207	-1,141
Fabricated metal product manufacturing	46	1,815	209	10
Professional and technical services	275	1,772	64	221
Primary metal manufacturing	7	1,475	121	-215
Executive, legislative, & gen government	15	1,459	-38	68
Administrative and support services	122	1,248	443	-906
Specialty trade contractors	167	1,204	42	72
Electrical equipment and appliances	10	1,162	-39	-774

* data suppressed to maintain employer confidentiality

Column headings revised 02/06

Source: DWD, Bureau of Workforce Information, ES-202, September 2005

Ozaukee County establishments and workers by employment size range in 2004



(1) Data not available due to suppression factors

Source: DWD, Bureau of Workforce Information, Table 221, July 2005

An analysis of Ozaukee County's largest employers and industry sectors in 2004 yields few surprises. The county is once again paced by Columbia St. Mary's Group, which operates St. Mary's Hospital — Ozaukee, as well as a number of outpatient and clinic facilities throughout of the county. They are once again joined by Concordia University Wisconsin, as well as newcomer Mega Marts, Inc. as the only three service-related employers on the list. As such, the county's major employers are dominated by major manufacturing firms, including Rockwell Automation, Inc., Leggett & Platt, Inc., and Charter Manufacturing Company, among others. The combined productive capacity and regional and national prestige of these firms has solidly established Ozaukee County as a regional economic force.

A similar analysis of the county's primary industry sectors again shows the dominance of manufacturing concerns in Ozaukee County's economic composition. While the county's industry sectors are paced by firms in the hospitality and education industry, the presence of firms in a number of manufacturing sectors does point to a more traditional focus. Losses in these sectors over the past year therefore come with some concern.

Per Capita Personal Income

One final measure of a county's economic well-being that is commonly analyzed is the degree to which a given county's average income, measured on a per capita basis compares to similar figures in other counties. This is used both as a measure of economic health within the county, but also as an indicator of the relative wealth of the county, in comparison to its peers. On both of these counts, Ozaukee County stands out.

In 2003, the per capita personal income for Ozaukee County was \$47,527. This number accounts for total income distributed among all residents of the county. This measure also ranks first among all counties within the state of Wisconsin — a distinction that Ozaukee County has held since 1969 — the earliest year that data is available. While this does indeed position Ozaukee County as one of the wealthiest counties in the state, on average, it does mask a parallel trend.

First, and foremost, when viewed from a five-year perspective, per capita personal income in Ozaukee County grew at an impressive rate of 14.7 percent. However, when ranked among the growth rates of all Wisconsin counties, Ozaukee County ranks 48th, well below the state average of 17.2 percent. Similarly, while the 2nd ranked county — Waukesha County grew at a significantly lesser rate — 12.2 percent since 1998, a number of other counties with comparable economic and demographic characteristics, including Dane (21.0 percent), Washington (14.9 percent), and Brown (17.8 percent) all outpaced Ozaukee County's growth rate. As such, this suggests that a combination of eco-

nomie shifts and changing migration and other demographic patterns may be closing the income gap between Ozaukee County and its neighbors. It is uncertain whether this trend will continue in the future, given the county's signs of recovery. Nonetheless, this represents one of the more interesting economic trends that emerged over the past year.

Wisconsin Counties 2003 Per Capita Personal Income and Rank in State

Area	2003	Rank	5-yr growth	Rank	Area	2003	Rank	5-yr growth	Rank
United States	\$ 31,472		17.1%		Manitowoc	\$ 27,807	27	13.6%	59
Wisconsin	\$ 30,685		17.2%		Marathon	\$ 29,992	16	22.0%	5
Adams	\$ 22,804	59	16.1%	37	Marinette	\$ 25,448	39	21.3%	9
Ashland	\$ 23,204	55	16.6%	32	Marquette	\$ 22,590	64	26.5%	1
Barron	\$ 24,922	41	15.2%	44	Menominee	\$ 18,449	72	19.8%	16
Bayfield	\$ 22,660	62	13.4%	60	Milwaukee	\$ 31,419	7	19.5%	18
Brown	\$ 32,076	5	17.8%	25	Monroe	\$ 23,467	54	16.8%	31
Buffalo	\$ 29,083	20	17.2%	28	Oconto	\$ 24,842	42	12.3%	66
Burnett	\$ 22,796	60	17.1%	29	Oneida	\$ 28,646	22	18.7%	21
Calumet	\$ 31,880	6	21.4%	8	Outagamie	\$ 30,952	11	20.5%	14
Chippewa	\$ 25,999	36	12.3%	67	Ozaukee	\$ 47,527	1	14.7%	48
Clark	\$ 22,227	66	13.9%	55	Pepin	\$ 24,407	44	13.0%	64
Columbia	\$ 30,846	12	18.2%	24	Pierce	\$ 27,963	26	18.6%	23
Crawford	\$ 22,628	63	20.9%	13	Polk	\$ 24,201	46	13.9%	54
Dane	\$ 36,455	3	21.0%	12	Portage	\$ 27,464	30	21.1%	11
Dodge	\$ 26,048	35	13.3%	61	Price	\$ 24,361	45	12.2%	68
Door	\$ 30,657	13	15.9%	40	Racine	\$ 31,271	8	15.0%	45
Douglas	\$ 23,568	53	15.3%	43	Richland	\$ 23,829	51	21.9%	6
Dunn	\$ 22,885	58	14.9%	47	Rock	\$ 28,256	25	14.1%	50
Eau Claire	\$ 27,469	29	17.5%	27	Rusk	\$ 20,461	71	14.0%	52
Florence	\$ 24,146	47	25.3%	3	Sauk	\$ 28,780	21	19.5%	19
Fond du Lac	\$ 29,951	17	16.1%	38	Sawyer	\$ 23,921	50	22.3%	4
Forest	\$ 21,975	68	25.4%	2	Shawano	\$ 23,941	49	13.9%	56
Grant	\$ 24,116	48	15.6%	42	Sheboygan	\$ 31,251	9	19.8%	17
Green	\$ 28,542	23	14.0%	51	St. Croix	\$ 31,091	10	13.6%	57
Green Lake	\$ 26,962	32	8.1%	72	Taylor	\$ 23,020	56	16.6%	34
Iowa	\$ 27,308	31	19.2%	20	Trempealeau	\$ 25,242	40	18.7%	22
Iron	\$ 22,912	57	21.1%	10	Vernon	\$ 20,950	70	15.7%	41
Jackson	\$ 26,084	34	21.9%	7	Vilas	\$ 25,664	37	13.0%	63
Jefferson	\$ 29,330	18	16.5%	35	Walworth	\$ 27,626	28	13.6%	58
Juneau	\$ 22,382	65	12.7%	65	Washburn	\$ 22,794	61	16.0%	39
Kenosha	\$ 29,117	19	16.5%	36	Washington	\$ 35,196	4	14.9%	46
Kewaunee	\$ 25,536	38	8.8%	71	Waukesha	\$ 41,551	2	12.2%	69
La Crosse	\$ 28,284	24	16.8%	30	Waupaca	\$ 26,863	33	14.0%	53
Lafayette	\$ 21,983	67	10.1%	70	Wausara	\$ 21,762	69	13.2%	62
Langlade	\$ 23,739	52	20.4%	15	Winnebago	\$ 30,359	15	16.6%	33
Lincoln	\$ 24,725	43	14.6%	49	Wood	\$ 30,401	14	17.7%	26

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2005